

Message Text

LIMITED OFFICIAL USE

PAGE 01 KABUL 02747 301247Z

44

ACTION NEA-09

INFO OCT-01 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 DODE-00 EB-07 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 XMB-02 OPIC-03

LAB-04 SIL-01 PA-01 PRS-01 USIA-06 ACDA-05 /118 W

----- 107084

R 300900Z APR 75

FM AMEMBASSY KABUL

TO SECSTATE WASHDC 2384

AMEMBASSY PARIS

INFO USDOC WASHDC

LIMITED OFFICIAL USE KABUL 2747

EO 11652: GDS

TAGS: ENRG, EALR, AF, FR

SUBJECT: OIL EXPLORATION: FRENCH COMPANY "TOTAL" TO
PROSPECT IN AFGHANISTAN

REF: A-199 OF 12/29/74

1. SUMMARY: AFTER NEGOTIATIONS WHICH DRAGGED ON FOR OVER TWO YEARS, THE GOA AND THE FRENCH NATIONAL OIL COMPANY "T)" HAVE SIGNED AN EXPLORATION AND EXPLOITATION AGREEMENT FOR PETROLEUM AND NATURAL GAS IN AFGHANISTAN'S SENSITIVE SOUTH-EAST BORDER AREA. END SUMMARY.

2. KABUL RADIO APRIL 25 ANNOUNCED THAT AFGHANISTAN NATIONAL OIL INSTITUTE (ANOI) AND COMPAGNIE FRANCAISES DES PETROL (TOTAL) HAD SIGNED AN AGREEMENT THAT DAY CALLING FOR OIL AND GAS EXPLORATION IN AN AREA OF 20,000 SQUARE KILOMETERS IN KATAWAZ PROVINCE, ON THE BORDER WITH PAKISTAN. THE REPORT NOTED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KABUL 02747 301247Z

THAT THE TERMS AGREED ON WERE MUCH MORE FAVORABLE (FOR AFGHAN-

ISTAN) THAN THOSE PREVALENT IN OTHER COUNTRIES.

3. ACCORDING TO FRENCH COMMERCIAL ATTACHE, THE 20,000 SQ. KM. AREA IS MUCH SMALLER THAN ORIGINALLY PLANNED AND THE TOTAL COMMITMENT IS ALSO MUCH REDUCED. TOTAL BEGAN NEGOTIATIONS WITH GOA OVER TWO YEARS AGO WITH HIGH HOPES SINCE AREA BORDERS PAKISTANI AREA WHERE TOTAL (WITH U.S. STANDARD OIL) WAS PROSP-ECTING. NEGOTIATIONS DRAGGED ON WITH GOA MAKEING "VERY UNREAS-ONABLE" DEMANDS. IN MEANTIME, NO STRIKES HAVE BEEN MADE IN PAKISTAN, WHICH REDUCES TOTAL'S ENTHUSIASM FOR WHOLE VENTURE. TOTAL COMMITS ITSELF ONLY TO SEND TWO TEAMS OF GEOLOGISTS TO THIS AREA, WILL DRILL ONLY IF TEAMS STRONGLY RECOMMEND IT, AND WILL REQUIRE NEW ADDITIONAL AGREEMENT WITH GOA TO EITHER EXTEND AREA OF SEARCH OR EXPLOIT ANY PETROLEUM FOUND. IN ADDITION, TOTAL WILL PUJGIDE OIL TRAINING IN FRANCE FOR AFGHAN NOMINEES. ACCORDING TO FRENCH AMBAL YO J, TOTAL WAS SO WEARY OF NEGOTIATING, THEY SIGNED AGREEMENT JUST TO END THE TALKS. MEANWHILE, TOTAL WILL BE BUILDING "GOODWILL" TO USE IN EVENT OF AN EXPLOITABLE DISCOVERY.

4. AFGHAN ANNOUNCEMENT WAS MADE IN TERMS OF AN ANOI PROGRAM TO CARRY OUT A PROGRAM OF GAS AND OIL EXPLORATION "IN A MORE EFFECTIVE WAY THAN THE PROGRAM HAS BEEN UNDERTAKEN IN AFGHAN-ISTAN DURING THE LAST 20 YEARS". THIS MAY BE A SLAP AT SOVIETS, WHO HAVE BEEN ONLY ONES DOING ANY SUCH EXPLORATION IN THE PAST. GOA OFFICIAL WHO SIGNED AGGREMENT, PRESIDENT OF EXTR-ACTION, ABDUS SAMAD SALEH, WAS EXCITED ABOUT AGREEMENT BECAUSE "IT GIVES US A CHANCE TO CONTROL THE RUSSIANS." HE STATED THAT "IF POSSIBLE," GAS EXPLORATION OPPORTUNITY IN VICINITY OF HERAT ANNOUNCED AT SAME TIME AS TOTAL AGREEMENT WOULD BE OFFERED TO FOREIGN COMPANIES AS WELL AS SOVIETS "TO BREAK THE RUSSIAN MO OPOLY IN THE NORTH." MR. SALEH HAS BEEN OUTSPOKEN IN HIS DISLIKE OF THE RUSSIANS IN THE PAST, AND IT IS NOT CLEAR THAT HIS OPINION I SHARED BY OTHERS IN THE MINISTRY OF MINES AND INDUSTRIES. THE PRESENCE OF THE FRENCH IN AFGHANISTAN WILL, HOWEVER, GIVE THE GOA AN OPPORTUNITY TO FORMULATE REGULATIONS IN NEW PROJECTS WITHOUT ACCUSATIONS OF DISCRIMINATION. EXISTING USSR GAS AND OIK PROJECTS FALL UNDER VARIOUS AID AGREEMENTS AND MAY NOT BE SUBJECT TO REGULATION BY ANOI.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KABUL 02747 301247Z

5. EMBASSY COMMENT: THIS AGREEMENT APPARS TO GIVE EACH SIDE WHAT THEY WANT. FRENCH HAVE LIMITED OBLIGATIONS, AND CAN RE-NEGOTIATE IF ANYTHING IS FOUND WHICH SEEMS WORTHWHILE. AFGHANS HAVE AN EXISTING AGREEMENT WITH ONE FOREIGN OIL COMPANY WHICH MAY ATTRACT OTHER COMAPNIES AND COULD RESULT IN VALUABLE DISCOVERIES. IN ADDITION, THEY NOW HAVE BASIS FOR ESTABLISHING AFGHAN CONTROL OVER OIL AND GAS INDUSTRY, WHICH

HAS HERETOFORE BEEN DOMINATED BY USSR. TRAINING ASPECT OF
TOTAL AGREEMENT MAY PROVIDE CADRE OF EXPREIENCED, TRAINED
AFGHANS NEEDED TO MAKE ANOI A FUNCTIONING ORGANIZATION.
NEITHER SIDE HAS HIGH EXPECTATIONS OF A MAJOR STRIKE, BUT
BOTH ARE SATISFIED WITH THEIR BARGAINING POSITION IF
SOMETHING IS FOUND.
ELIOT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, EXPLORATORY DRILLING, PETROLEUM RESERVES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KABUL02747
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750151-0793
From: KABUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975044/aaaaads.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 A-199, 75 OF 12/29/74
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 21 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 MAY 2003 by BoyleJA>; APPROVED <22 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OIL EXPLORATION: FRENCH COMPANY "TOTAL" TO PROSPECT IN AFGHANISTAN
TAGS: ENRG, EALR, AF, FR
To: STATE PARIS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006